



Introducing eCredable—an alternative credit agency

With the decline in the economy many people have found themselves in difficult financial circumstances. Some have missed bills, racked up debt or even been unable to obtain loans to help start and build their credit history. Regardless of whether you have no credit file, a thin credit file, or a credit file with negative credit information, accessing your alternative credit information may help you in many situations that require a credit check, establish a payment history that you can present to any potential creditor, and offset those negative marks by showing the creditor a more complete picture of your credit history.

What is alternative credit?

It is any account that isn't typically found on a standard credit report. Utility, rent, cell phone, and insurance account companies typically don't send your history to the major

credit bureaus. This alternative credit history may help to offset credit problems by showing the creditor a more complete picture of your credit history—and by law, all creditors must consider alternative credit information when it is presented to them.

eCredable's revolutionary systems make it easy for you to start building your alternative credit report and track your financial habits. Membership with eCredable gives you access to tracking tools, education, and an industry-accepted AMP credit rating all for a low monthly price.

Family Financial Education Foundation has endorsed eCredable and considers it a good resource and great benefit for their clients.

For more information on AMP and the eCredable systems please visit their website at www.ecredable.com ■

How to save \$2,000 per year (at least) By Ilyce Glink

The typical American family is facing thousands of dollars of credit card debt on top of a mound of bills that have piled up thanks to the Great Recession.

While many families have cut a lot of fat from their budget, there are still opportunities to wring out even more savings. I call it the Everyday Money Savings, because it's the little decisions you make every day with your money that will help pile up the cash.

Here are my top 5 ways to save money—which will hopefully free up thousands of dollars you can use to pay down your debts.

1. Renegotiate your cell phone bill. At some point in time, your cell phone contract will expire. It's up to you to know when that is, because your wireless provider hopes you'll forget to keep track—that way you'll far less likely to shop around for a new carrier. But that's exactly what you should do. Depending on your usage, you may be able to save \$30 to \$50 per month, or as much as \$600 per year, simply by shopping around.

2. Shop around your insurance policies. If you've had a safe driving record, don't smoke, and don't drive a car that's popular with auto thieves, you may qualify for a bunch of auto insurance discounts that really add up.

Shopping around your auto insurance policy could help you drop your annual cost by as much as 30

(Continued on page 2)

Alternative Credit Q&A with Steve Ely

ILYCE GLINK: What does the law say about alternative credit?

STEVE ELY: The Equal Credit Opportunity Act (ECOA) is a law enforced by the Consumer Financial Protection Bureau (CFPB). Section 206.6 (b) (6) addresses the legal right a consumer has to present any information that helps demonstrate their creditworthiness, when a potential creditor is evaluating their creditworthiness. The potential creditor must consider this information, or be in violation of the law and subject to a \$10,000 fine per incident. Alternative Credit is typically information not reported to the three national credit reporting agencies. This information can be very useful in helping the potential creditor understand more about your creditworthiness.

IG: In the current economy, creditors have tightened lending standards. How good does my credit have to be?

SE: Lending standards are different for each creditor, and for each product or service they offer. A good example is the credit score used to buy a home. Before the Great Recession, it was fairly common for consumers with a FICO Score of 720 to have access to the best mortgage rates available. Today, the FICO Score typically needs to be 780 or greater to have access to the best rates. In addition, the documentation that proves your information is accurate and valid has become much more stringent. “No Doc Loans” are a thing of the past. Today, you need a lot of rock solid proof regarding your income, assets, and liabilities.

IG: Mortgage lenders have really swung the pendulum in the other direction. It used to be that anyone with a pulse could get a loan. Today, it is incredibly difficult. The federal government now requires lenders to consider Alternative Credit. But

which lenders really do consider Alternative Credit?

SE: Many lenders use Alternative Credit when evaluating the creditworthiness of a consumer. This is usually a collection of information that is manually collected and assessed, which means it slows the whole process down dramatically. eCredable works with Churchill Mortgage, which routinely uses our AMP Credit Report™ and AMP Credit Rating™ as part of the underwriting process. While you are still required to produce the necessary documentation to qualify for a home loan, you can feel confident in knowing that using Alternative Credit is something that Churchill Mortgage will accept from you.

IG: If my FICO score is poor, can Alternative Credit improve my credit standing?

SE: Alternative Credit is made up of payments you make, which are not routinely reported to the three national credit bureaus. If the creditor you are talking to is making its decision based solely on the information contained in your traditional credit report and score, then you will need to inform them that you have Alternative Credit information in the form of an AMP Credit Report™ and AMP Credit Rating™ they must consider.

You could produce this same information yourself, but it would need to be verified by the potential creditor, which will add time and frustration to the overall process. eCredable is a Credit Reporting Agency, and adheres to the guidelines of the National Credit Reporting Association when creating credit reports that contained verified information.

IG: It’s getting tougher to develop your own credit history. What can people do to get started to build their credit?

SE: The answer to this question depends on your circumstances. Let’s talk about college students, for example. Many of you have students

(Continued on page 3)

Get the Credit You Deserve

We are committed to helping enhance your financial life!



We know what creditors are looking for and we’ve built a service that allows you to take control of your information.

- Secure Web-based service
- AMP Credit Report™
- Rating Simulator
- Bill tracking and payments
- Educational Materials

Find out more about our alternative credit service and membership

www.eCredable.com

888.732.7337



(Continued from page 2)

in college, or maybe someone who just graduated. Before 2010, students were offered credit cards on campus with nothing more than a signature on the application form. The upside to this process was the average student graduated with 4.5 cards, which means that information was being reported to the national credit bureaus. They were starting to build a credit history, without even thinking about it.

The downside is most of these students were unaware of the financial responsibility that came with these cards, and they didn't use them wisely resulting in large balances being accumulated. Late payments cause negative information to be reported to the credit bureaus, resulting in poor credit scores. This also led to many students getting into debt they had to deal with after school.

The Credit Card Act of 2010 prohibits providing credit cards to anyone under 21, without a parent or co-signer on the application. This change is good in general, but makes it very difficult for a young person to start establishing a credit history. One choice you have is to acquire a Secured Line of Credit at a bank or credit union. You tie up your money for an extended period of time while you pay off the balance. This creates a credit history at the national credit bureaus, but you need to do more than this. Having one account on file with the credit bureaus isn't enough to produce an accurate credit score.

An alternative is to use the payments you make every month as a way to prove you are creditworthy. You can document and record this history on your own, but eventually you'll need to have it verified by the potential creditor. eCredable does this for you as part of our product.

IG: What about people who need to rebuild their credit?

SE: Alternative Credit can be a nice complement to your traditional credit

history. If you're already working on rebuilding your credit, stay focused on doing all the right things like making sure your credit files are clean of mistakes, and all the things Family Financial advises you to do. You can use the AMP Credit Report™ and AMP Credit Rating™ when talking to a potential creditor in person. Share your report with them, and explain to them how this information creates a more complete picture of your financial situation.

Most creditors realize many people hurt their financial situation in the last several years due to no fault of their own (e.g. loss of job). Rebuilding your credit is critical to your long term standing, but Alternative Credit can help you right now—assuming you've been paying your regular bills like utilities and insurance on time.

IG: What happens when someone signs up for eCredable? What does his first year look like?

SE: eCredable is really easy to use. You simply go to our website at www.eCredable.com, choose the membership plan option, and enter the bills you routinely pay. We send you e-mail reminders to pay your bills on time, which is critical for any solid credit history. You simply come back to the site once a month and check off the bills you paid on time. We let you know your current AMP Credit Rating™ (AMP stands for All My Payments.). We rate you on a scale from

A-F, which everyone understands. If you start out as a "C", and your goal is to become an "A", our AMP Credit Rating Simulator is a tool you can use to see what you need to do, and

how long it will take for you to reach your goal. Once you've reached your goal, you're ready to have your accounts verified.

You provide us with your authorization to have this done on your behalf, which takes 3-5 business days. We produce your credit report with your credit rating, and you can share it with anyone you choose.

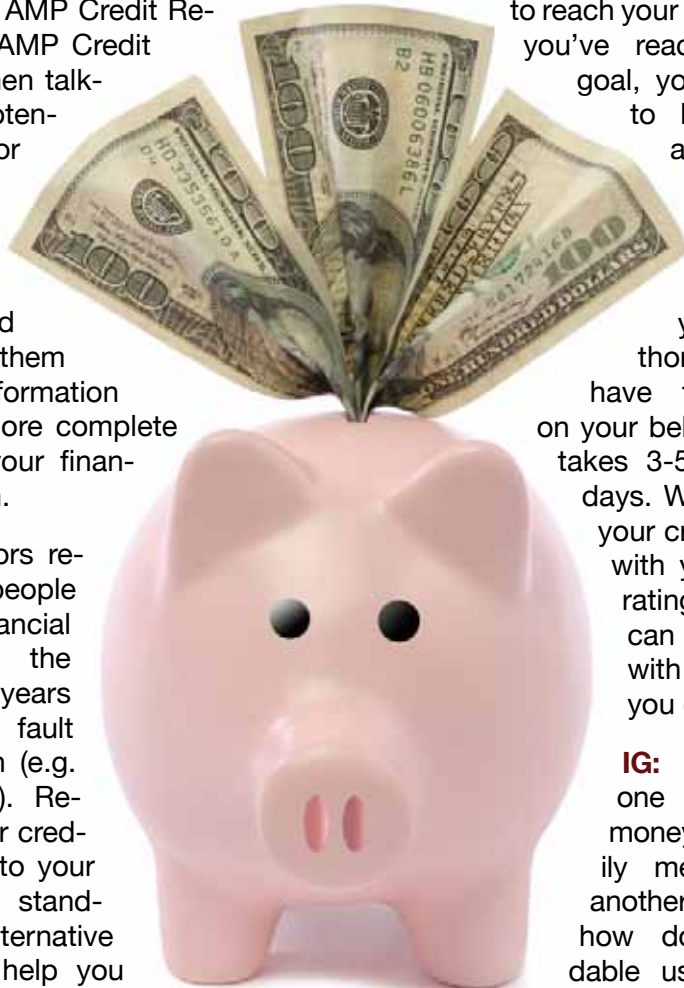
IG: If someone is sending money to family members in another country, how does eCredable use that to help establish credit worthiness?

SE: If you have documentation that you make these payments routinely, we can use this information to verify your history of payments. The value of these payments will depend on the amount you pay, and the history of payment. For example, 2 years of history is much more valuable than 3 months of history.

IG: What about paying your auto insurance premiums each month? How are those counted?

SE: Auto insurance premiums are one of the most popular payments. Even if you are paying your premiums every 3 months, or every 6 months,

(Continued on page 4)



ARTICLES

TIPS & TRICKS

How to save \$2,000 per year *(Continued from page 1)*

percent, saving you \$200 to \$500 per year. If you want to add to the savings, consider bundling your auto insurance, homeowners' insurance or renter's policy with your auto insurance policy and net an additional 10 to 15 percent in savings.

3. Turn down your thermostat. While it's comfortable to live in a perfect 72°F environment at home, it can be costly. You might be about to shave as much as 15 percent off of your energy bill simply by turning down your thermostat 2 degrees in winter and turning it up 2 degrees in summer.

I met someone in Dallas who decided to give it a try last winter, and while her family put on sweaters in the house (she set the thermostat at 67 degrees during the daytime and 65 degrees at night), she was able to shave hundreds of dollars off of her energy bill. If you're really careful, you could save \$30 to \$50 per month, or up to \$600 per year.

4. Be more thoughtful about the way you drive. On a typical Saturday, I'll hit the grocery store, pick up a few things here or there, and shuttle the kids to their myriad of activities. Sometimes, my husband and I have to drive two cars in the same general direction.

But being thoughtful about how we drive our cars has helped us save hundreds of dollars in gas over the years. And you can too. Consider stacking your weekend errands. Try carpooling to the office (or taking public transportation) but carpooling works just as well on the weekends, especially if you're carting kids around. If your kids play sports, call up the parents on the

team and arrange a carpool for the kids. Putting four kids in a car and driving 25 miles to an all-day soccer tournament is a smarter use of your gas dollar.

5. Still eating out? Give up the drinks. One Sunday morning, I asked callers to my radio show (tune in to www.wsbradio.com noon to 2 ET) to share their best money-saving tips.

A woman called in to say that she and her family really enjoyed eating out but they were aware that they needed to tighten their belt. So, they decided to have "water only" dinners. No drinks for anyone, which meant no wine or beer for the adults and no lemonades for the kids.

In a year, she said they saved thousands of dollars - simply by not ordering drinks in a restaurant. A quick bit of math reveals how the savings add up: Wine is \$8 to \$15 per glass, and beer is a little less. Two lemonades for the kids could be another \$5 to \$7. So, it's \$30 to \$40 per dinner on drinks plus tax and tip. If you eat out four times a month, that's \$160 per month on drinks, or nearly \$2,000 per year.

If you just follow these tips, you'll be well on your way to saving thousands of dollars per year - and hopefully easing your debt burden along the way.

Ilyce R. Glink is an award-winning journalist, blogger, book author and radio talk show host. Find her work at ThinkGlink.com and eCredable.com. ■

Q&A with Steve Ely

(Continued from page 3)

we can use this information to help prove you are creditworthy.

IG: Can eCredable help a small business owner?

SE: We can help the small business owner in two ways. First, they can use their AMP Credit Report™ and AMP Credit Rating™ when applying for a loan. Most lenders use the small business owner's personal credit history when evaluating their creditworthiness.

Since your Alternative Credit history is based on how you pay your bills every month (like rent and utilities), you can use this information to demonstrate your creditworthiness. Second, they can suggest their employees use eCredable as a tool to help them with their credit situation.

Small business owners suffer more than big businesses when it comes to employees being distracted by financial issues. Helping employees get back on their feet, and focused on their job, is a big win for the small business owner. ■

Business Hours!

Mon.-Fri.: 7:00 a.m.-7:00 p.m.
Saturday: 8:00 a.m.-12:00 noon

Family Financial Education Foundation

ACCESS EDUCATION SYSTEMS

724 Front Street, Suite 340

Evanston, WY 82930

contact: (877) 789-4175

www.ffef.org | info@ffef.org



Find more great money saving ideas on our web site, FFEF.org

If you know of someone who would benefit from this information, please pass this newsletter along.

This publication is the property of Family Financial Education Foundation. All rights are reserved. For more information about our services or how we can help you with your debt management program, please contact Family Financial Education Foundation at www.ffef.org.